

HOPE WORLDWIDE CANADA
Financial Statements
December 31, 2016

HOPE worldwide Canada
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December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Members of HOPE worldwide Canada

We have audited the accompanying financial statements of HOPE worldwide Canada, which comprise the statement of financial position as at December 31, 2016 and the statements of changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, HOPE worldwide Canada derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of HOPE worldwide Canada. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2016, current assets and net assets as at December 31, 2016.

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Independent Auditor's Report to the Members of HOPE worldwide Canada *(continued)*

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of HOPE worldwide Canada as at December 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

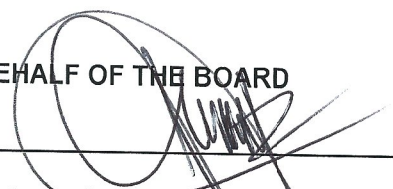
Woodbridge, ON
April 28, 2017

ent Vaughan LLP

ENT Vaughan LLP
Chartered Professional Accountants
Licensed Public Accountants

HOPE worldwide Canada**Statement of Financial Position****As at December 31, 2016**

	2016	2015
ASSETS		
CURRENT		
Cash (Note 5)	\$ 87,648	\$ 83,959
Cash - externally restricted funds (Note 5)	307,449	55,853
HST recoverable	1,606	1,414
Chapter Advances	4,097	994
TOTAL ASSETS	\$ 400,800	\$ 142,220
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 5,751	\$ 10,973
Employee deductions payable	29	492
TOTAL LIABILITIES	5,780	11,465
NET ASSETS		
General fund	87,571	74,902
Restricted - moscow orphans fund	203,000	-
Restricted - disaster relief fund	104,449	55,853
	395,020	130,755
TOTAL LIABILITIES AND NET ASSETS	\$ 400,800	\$ 142,220

ON BEHALF OF THE BOARD

Director

See notes to financial statements

HOPE worldwide Canada

Statement of Changes in Net Assets

For the Year Ended December 31, 2016

	General Fund	Restricted - Moscow Orphans Fund	Restricted - Disaster Relief Fund	2016	2015
NET ASSETS - BEGINNING OF YEAR	\$ 74,902	\$ -	\$ 55,853	\$ 130,755	\$ 97,957
Excess of receipts over disbursements	12,669	203,000	48,596	264,265	32,798
NET ASSETS - END OF YEAR	\$ 87,571	\$ 203,000	\$ 104,449	\$ 395,020	\$ 130,755

See notes to financial statements

HOPE worldwide Canada
Statement of Receipts over Disbursements
For The Year Ended December 31, 2016

	Unrestricted Funds	Restricted - Moscow Orphans Fund	Restricted - Disaster Relief Fund	2016 Total	2015 Total
RECEIPTS					
Foundations	\$ -	\$ 200,000	\$ 50,000	250,000	200,000
Disaster Relief	-	-	43,852	43,852	64,047
Fund raising events	41,950	-	-	41,950	39,656
Administration allocation income	24,642	-	-	24,642	18,360
Hope worldwide US	21,641	-	-	21,641	-
Donations	9,600	-	-	9,600	7,016
Other charities	1,076	3,000	-	4,076	8,435
Grant	3,774	-	-	3,774	2,329
Corporations	2,321	-	-	2,321	3,353
	105,004	203,000	93,852	401,856	343,196
Interest income	-	-	482	482	23
Other income	10	-	-	10	-
	10	-	482	492	23
Total Receipts	105,014	203,000	94,334	402,348	343,219
DISBURSEMENTS					
Disaster relief	-	-	45,738	45,738	48,508
HYC sponsorship	25,267	-	-	25,267	-
Admin Fee	24,642	-	-	24,642	18,361
Professional fees	13,456	-	-	13,456	5,955
Program Expenses	12,069	-	-	12,069	14,017
Travel	8,688	-	-	8,688	72
Salaries and wages	2,260	-	-	2,260	2,665
Insurance	1,608	-	-	1,608	7,901
Conferences/seminars	1,576	-	-	1,576	4,900
Fund raising expenses	1,463	-	-	1,463	5,639
Office and general expenses	1,295	-	-	1,295	1,668
Website expense	21	-	-	21	-
Program Verification	-	-	-	-	1,508

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HOPE worldwide Canada

Statement of Receipts over Disbursements (continued) For The Year Ended December 31, 2016

	Unrestricted Funds	Restricted - Moscow Orphans Fund	Restricted - Disaster Relief Fund	2016 Total	2015 Total
DISBURSEMENTS (continued)					
Benevolence	-	-	-	-	2,615
Advertising and promotion	-	-	-	-	825
	92,345	-	45,738	138,083	114,634
FUNDRAISING AND ADMINISTRATION					
Moscow orphan support	-	-	-	-	2,787
Moscow old friends/soup kitchen	-	-	-	-	193,000
	-	-	-	-	195,787
Total Disbursements	92,345	-	45,738	138,083	310,421
Excess of receipts over disbursements	\$ 12,669	\$ 203,000	\$ 48,596	\$ 264,265	\$ 32,798

See notes to financial statements

HOPE worldwide Canada**Statement of Cash Flow****For the Year Ended December 31, 2016**

	2016	2015
OPERATING ACTIVITIES		
Excess of receipts over disbursements	\$ 264,265	\$ 32,798
Changes in non-cash working capital:		
HST recoverable	(192)	813
Accounts payable	(5,222)	5,426
Chapter Advances	(3,103)	(994)
Employee deductions payable	(463)	492
	(8,980)	5,737
INCREASE IN CASH FLOW	255,285	38,535
Cash - beginning of year	139,812	101,277
CASH - END OF YEAR (Note 5)	\$ 395,097	\$ 139,812

HOPE worldwide Canada
Notes to Financial Statements
December 31, 2016

1. PURPOSE OF THE ORGANIZATION

HOPE worldwide CANADA (the "organization") is a charitable organization incorporated provincially in November 1993 under the Not-for-profit Corporations Act of Ontario. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The organization's principal objectives are: to care for the poor, needy and aged; to support medical facilities for the sick; to provide food and shelter for the homeless; to provide education and training for unskilled youth; to provide relief for victims of famine and disaster and to care for widows and orphans.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund accounting

HOPE worldwide Canada follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and internally restricted operating funds.

The Externally Restricted Fund reports resources that are to be used for external programs specifically Restricted - Moscow Orphans Fund & Restricted Disaster Relief Fund.

In accordance with the HOPE Board policy, the Unrestricted Fund also includes an allocation of administration which is a transfer from the Restricted funds at the following rates: 7% for monies given by the Fleming Foundation and 15% from all other sources to ensure that donors of both unrestricted and restricted funds contribute to the operations of HOPE worldwide of Canada.

Cash and Cash Equivalents

The organization considers monies in the bank and other short-term investments with original maturities of 90 days or less at the date of acquisition as cash and cash equivalents. These are monies that are readily available for use by the Board of Directors.

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HOPE worldwide Canada
Notes to Financial Statements
December 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued.

Measurement of financial instruments: Hope worldwide Canada initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

Hope worldwide Canada subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in net income.

Financial assets measured at amortized cost on a straight-line basis include cash and cash equivalents, and advances receivable.

Financial liabilities measured at amortized cost on a straight-line basis includes accounts payable, and all accruals.

Impairment: Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs: The organization's transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. The carrying amount of the financial instruments that will not be subsequently measured at fair value is adjusted for transaction costs directly attributable to the origination, issuance or assumption of these instruments.

Revenue recognition

HOPE worldwide Canada recognizes all donations (unrestricted and restricted) as revenue when received. Income from Fundraising events is recognized as revenue when the event occurs and monies are received.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Accounts which include estimates are advances receivable, HST recoverable, and accounts payable.

Contributed services

A substantial number of unpaid volunteers have made significant contributions of their time to Hope worldwide Canada. These volunteers have a significant impact on making the organization effective. However, the value of these services is not reflected in the financial statements because of the difficulty in determining their fair value.

HOPE worldwide Canada
Notes to Financial Statements
December 31, 2016

3. RESTRICTED FUNDS

The principle funds are as follows:

Restricted - Moscow fund

This fund accounts for the funding received and expenses incurred for programs in Moscow to care for orphans and the aged. Effective March 1, 2010 a contract for services was agreed to between HOPE worldwide Canada and HOPE Worldwide - Russia for the purpose of performing charitable services.

Restricted - Disaster fund

This fund accounts for the funding received and the expenses incurred for relief in various countries of the world. HOPE worldwide Canada has a contract for services dated December 1, 2014 with HOPE worldwide Haiti to provide education and training relief for child victims of disaster in Haiti. In 2016, Hope worldwide Canada has contract for services with Hope Foundation (India); Hope Cote D'Ivoire; Hope worldwide Kenya; Hope worldwide Philippines Inc.; and Hope worldwide Ukraine.

4. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, HST recoverable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying value, unless otherwise noted, due to the relatively short periods to maturity of the instruments.

5. CASH

	2016	2015
Cash	\$ 87,648	\$ 83,959
Cash - externally restricted funds	307,449	55,853
	\$ 395,097	\$ 139,812